

HOUSE BILL NO. 318

INTRODUCED BY J. MCKENNEY

A BILL FOR AN ACT ENTITLED: "AN ACT AMENDING THE HEALTH INSURANCE LIMITED COVERAGE DEMONSTRATION PROJECT LAW TO ALLOW ISSUANCE OF LIMITED COVERAGE HEALTH INSURANCE PLANS TO ADDITIONAL UNINSURED MONTANA RESIDENTS AND TO ALLOW PLANS TO EXCLUDE COVERAGE FOR CERTAIN DIABETIC BENEFITS AND FOR INBORN ERRORS OF METABOLISM; AMENDING SECTION 33-22-262, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 33-22-262, MCA, is amended to read:

"33-22-262. (Temporary) Limited coverage individual health benefit plan or managed care plan -- demonstration project -- criteria -- rulemaking. (1) The commissioner of insurance may approve a 12-month demonstration project that allows a health insurance issuer to offer a limited coverage individual health benefit plan or managed care plan. The criteria for approval of a 12-month demonstration project include but are not limited to the following:

(a) the plan must include significant outpatient services and may not consist of inpatient benefits only;

(b) the plan may be offered only to residents of Montana who have been uninsured for 90 days or longer, except that at the discretion of the health insurance issuer, the plan may be offered to residents of Montana if the applicant:

(i) lost eligibility for a health plan because of age; or

(ii) lost coverage under a federally funded health insurance program, such as medicare, medicaid, or the Montana children's health insurance program, because of age or failure to meet financial guidelines; and

(c) the commissioner may adopt rules that describe additional criteria to be used to determine approval of demonstration projects. Additional criteria must relate to the purpose as stated in 33-22-261(2).

(2) The health benefit plan or managed care plan must specify the health services that are included and must specifically list the health services that will be limited or not be covered from the partial list of state-required coverage in subsection (3). The limitations and exclusions of the plan must be prominently displayed on the

1 application and on the outline of coverage required by 33-22-244.

2 (3) Subject to subsection (4), if specifically listed as a limitation or an exclusion of coverage in the
3 proposal, a demonstration project may limit or exclude the following health services from its health benefit plan
4 or managed care plan:

5 (a) coverage of a newborn, as provided in 33-22-301, 33-30-1001, and 33-31-301(3)(e), which may be
6 subject only to the same extent of the limitations and exclusions contained in the parent's policy;

7 (b) coverage for severe mental illness, as provided in 33-22-706;

8 (c) coverage for mental health services, as provided in 33-31-301(3)(g)(i);

9 (d) benefits for emergency services, as provided in 33-36-201 and 33-36-205;

10 (e) coverage for certain basic health care services described in 33-31-102(2)(b) and (2)(h)(v); or

11 (f) services provided by a specific category of licensed health care practitioner to be provided to the
12 covered person for a health-related condition in a health benefit plan or managed care plan, including services
13 described in 33-22-125 and 33-30-1017;

14 (g) coverage for diabetic education, treatment, services, EQUIPMENT EDUCATION, TREATMENT, SERVICES,
15 and supplies, as provided in 33-22-129(3); or

16 (h) coverage for treatment of inborn errors of metabolism, as provided in 33-22-131.

17 (4) All health benefit plan and managed care plan demonstration projects are subject to the following
18 provisions:

19 (a) the requirement that any plan that covers physical illness generally must cover severe mental illness
20 in a way that is no less favorable than that level provided for other physical illness generally as required by
21 federal law;

22 (b) the prohibition against discrimination in 49-2-309;

23 (c) except as provided in subsection (3)(d), the provisions in Title 33, chapter 36, regarding network
24 adequacy and quality assurance; and

25 (d) all other applicable provisions of Title 33, except those listed in subsection (3).

26 (5) Upon a renewal request and approval by the insurance commissioner, a demonstration project may
27 be renewed for additional 12-month increments for a maximum total of 5 years. (Terminates June 30, 2009--sec.
28 14, Ch. 325, L. 2003.)"

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30 NEW SECTION. SECTION 2. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE ON PASSAGE AND APPROVAL.

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2 NEW SECTION. **Section 3. Applicability.** [This act] applies to limited coverage individual health

3 benefit plans and limited coverage managed care plans issued, renewed, or amended after ~~October 1, 2005~~ [THE

4 EFFECTIVE DATE OF THIS ACT].

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